



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: Cooney, et. al.  
Serial No.: 09/832,603  
Filed: April 11, 2001  
For: Oughta Cost Purchasing Process

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## PRELIMINARY AMENDMENT INFORMATION DISCLOSURE STATEMENT

Box Non-Fee-Amendment  
Assistant Commissioner for Patents  
Washington, D.C. 20231

Sir:

Preliminary to the examination of the above-identified application, please amend the application as follows:

1. Before Paragraph 0001, insert:

A This application claims the benefit of U.S. Provisional Application No. 60/198906, filed April 20, 2000.

2. Replace Paragraph 0003 with the following paragraph:

A<sup>2</sup> [0002] Thus, the traditional "quote process" does not address the question of what the cost of the part ought to be or whether the product, service or process will have a best in class quality. Product, service or process cost is usually derived from the standard cost system or a job order cost system both of which have a number of faults that prevent them from being reliable sources for determining what the cost ought to be. For example, standard cost usually is an average cost for a number of products, processes or services. Thus, the lowest quote is not necessarily what the cost of the part ought to be. Factors that affect what the cost of a part ought to be includes the design itself, the purchase cost of materials, the quality of the part, the productivity of the manufacturing process, the location of the manufacturing facility and the labor and operating cost. These and other factors must be considered in determining the cost. Manufacturers need to purchase from and partner with those suppliers that commit to utilizing world class processes.

3. Replace Paragraph 0015 with the following paragraph:

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A3 [0015] In order to depict the best in class process, it is anticipated that the supplier may have to acquire new machines or even new facilities in order to meet the oughta cost target, a Capital section has been included in the program. The Capital section allows the input of capital investments that are required for machines and increase capacity to manufacture the part, and the computer program will then compute the amount of depreciation to be charged to each part. The results of these calculations will also be used when inputting data to the Overhead screen.

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4. Replace Paragraph 0016 with the following paragraph :

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A4 [0016] The program includes a Manufacturing Screen where the required volume for the component being processed is inputted and the uptime for current and World class manufacturing machines can be selected from drop down menus or data bases. This screen also includes fields for entering the required manufacturing time as well as work days per year, work shifts per day, and work hours per shift that will be required to accomplish the manufacturing task. When all the fields of the Manufacturing Screen have been entered and stored, the section is totaled and the next category is available for selection. However, if any screen is being worked on but has not been completed, if a new screen is selected all data that has been entered in the uncompleted screen is automatically saved.

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5. Replace Paragraph 0102 with the following paragraph:

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A5 [0102] The decision to use this program to perform an Oughta cost analysis could be made for various reasons. It could involve a new part/process or an existing part/process. When such a decision is made, the decision is recorded in the program and the next Program Number is assigned to the particular request. A project champion is assigned to the particular request who selects a team that typically will include a person from Engineering, Manufacturing, Purchasing and Finance. However, team members will vary depending on the product, service or process to be analyzed. An initial team meeting would generally be scheduled at which the team examines the product, service or process to be analyzed and costed. If available, data such as product prints, prototype parts and standard information would be made available and discussed at such a meeting as well as the development or purchase of custom information required for this particular analysis. In some situations, for example, if the part is new and the design is not yet fixed, the team may decide that a supplier or suppliers should be consulted at this stage. If additional data is required, appropriate members of the team are assigned the task of acquiring such data.